

**Congress of the United States**  
**House of Representatives**

Washington, DC 20515

EXHIBIT 3  
DATE 3-19-09  
HB Housing Summit

**Montana House Local Government Committee**  
**Hearing on the state of housing in Montana**  
**Testimony Submitted by Dustin Frost on January 26, 2009**

Madam Chairman, members of the committee, my name is Dustin Frost. I am the State Director for Montana's Congressman, Denny Rehberg. Thank you for the opportunity to represent Denny in this discussion on housing issues in Montana.

Thanks to our state's strong foundation of responsible lending from our banks and careful borrowing decisions by our homeowners, Montana has avoided the brunt of the foreclosure crisis that has plagued so many other states. And we're happy to see that this strong foundation has meant that while banks in 47 other states have received a federal bailout, not a single Montana bank has taken a dime. Unfortunately, the economic downturn sparked by irresponsibility outside of the state is hitting Montanans in a big way.

Jobs are being lost, salaries are being cut, and Montanans are struggling to keep food on the table for their families. But beyond the direct economic impact, the federal government has rubbed salt in our wounds by forcing Montana taxpayers to foot the bill for other state's mistakes. That's right. Our prudence has been rewarded with a bill from the federal government for \$700 billion. Add in the cost of the so-called economic stimulus package, the Fannie Mae and Freddie Mac Bailout, the Bear Stearns Bailout, and the AIG Bailout, and we're on the hook for a number well into the trillions of dollars.

While Washington, D.C. continues to spend billions to correct the housing industry, the root of this problem can be placed on their own doorstep. In an attempt to push more people into homeownership, efforts such as the Community Reinvestment Act and the government backed Fannie Mae and Freddie Mac forced lending standards lower, resulting in a fundamentally flawed system.

Many in Congress have chosen to address the symptoms of this government-made problem with more government-made solutions. Denny is calling for a cure. A cure that is based on the same strong foundation our housing market is built on here in Montana: responsible standards from both private and government-backed lending institutions, cautious home purchasing decisions that emphasize saving and living within our means, and bipartisan restraint from our government to understand that government solutions in the form of trillion dollar bailouts are not the answer to government caused problems.